

OPERATIONS

Act 427 of 1973

Budgeting for any fiscal period shall not deviate materially from priorities in the *Board Objectives* policies, risk fiscal jeopardy, or fail to show a generally acceptable level of foresight. The proposed biennial budget shall be presented to the Board for review and approval prior to its submission to the General Assembly for adoption.

Accordingly, the Executive Director may not cause or allow budgeting that:

1. Contains too little detail to enable accurate projection of revenues and expenses, separation of capital and operational items, cash flow and subsequent audit trails, and disclosure of planning assumptions.
2. Does not provide for Board prerogatives and Board development.
3. With respect to the actual, ongoing condition of the Retirement System's operating budget, the Executive Director may not cause or allow the development of financial jeopardy.

Accordingly, the Executive Director may not:

1. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
2. Allow actual operating budget allocations to deviate materially from Board priorities in *Ends* policies.
3. Fail to promulgate procedures to assure an equitable and open system of awarding contracts to providers of contractual and consultant services.
4. Fail to establish and maintain a System of internal controls designed to assure that the policies and procedures of the Retirement System are being followed and that assets belonging to ATRS are properly received, are protected while in the custody of ATRS, are used only for appropriate purposes, and reduce the opportunity for errors and dishonesty. A qualified auditor will conduct an examination of the effectiveness of the System's internal controls at least every five years. The external auditor responsible for auditing the adequacy of the annual financial statement shall not be eligible for this examination.

Adopted: June 12, 2002

Removed from APA: December 6, 2005